

FISCAL IMPACT STATEMENT ON BILL NO. **H3103**

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TO: The Honorable Phillip D. Owens, Chairman, House Education and Public Works
Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Trey Kannaday
DATE: January 23, 2009 SBD: 2009007

AUTHOR: Representative Toole PRIMARY CODE CITE: 59-43-40
SUBJECT: General Educational Development Exam Fees

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

House Bill 3103 adds Section 59-43-40 of the Code of Laws of South Carolina, 1976, to provide that a student enrolled in a state sponsored adult education program in the school district in which he resides may take the General Educational Development (GED) Exam free of charge if he meets certain requirements. The Bill states that, in order to reimburse the State Department of Education for expenses incurred in administering the exam, funds must be deducted in a pro rata amount from funds appropriated for the LIFE Scholarship, HOPE Scholarship, Palmetto Fellows Scholarship, the Need Based Grants program, and the Tuition Assistance program.

EXPLANATION OF IMPACT:

The State Department of Education

The Department (SDE) estimates that about 2,900 students would be eligible for reimbursement for the GED fee of \$80 based on current data. However, enactment of this Bill itself could increase the number of students taking the exam and the number eligible for reimbursement. If enactment increases the number eligible for reimbursement by 50% then 4,350 would receive reimbursement. Therefore, the cost of this Bill can be estimated at between \$232,000 and \$348,000 annually.

The LIFE, Palmetto Fellows, HOPE, Lottery Tuition Assistance (LTA) and Need-Based Grants programs are funded with a combination of State General Funds and Lottery funds. LIFE and Palmetto Fellows are open-ended programs in that students who meet the requirement shall be provided the award even if appropriations are short of the amount needed. If enactment of this Bill results in insufficient funding for these scholarship programs there would be an indirect impact on the General Fund of the State. Since Need Based and LTA appropriations are divided among qualifying applicants, reductions due to this initiative would result in less funding per student award.

Approved by:



Harry Bell
Assistant Director, Office of State Budget